

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 982 - SB 1295

March 10, 2015

SUMMARY OF BILL: Creates the legislative Select Oversight Committee on TennCare to be composed of seven members to be appointed by the Speaker of the Senate and seven members to be appointed by the Speaker of the House of Representatives. Authorizes the Committee to conduct hearings, employ staff, and enter into contracts for technical or professional services. Requires the Committee to meet at least quarterly and at the call of the Chair. Requires the Committee to report on its activities to each member of the General Assembly. Unless continued for five years by the General Assembly, the Committee terminates on June 30, 2020. Directs the Committee to conduct a totally independent study of the TennCare pharmacy program and to report on its findings and recommendations by January 15, 2016, to the Chair of the Senate Health and Welfare Committee and to the Chair of the Health Committee of the House of Representatives.

Requires the Bureau of TennCare to file an annual report setting forth data and statistics relative to health care provided to women. Requires the Bureau of TennCare and the Department of Finance and Administration to develop data measures to assess the effectiveness of presumptive eligibility, the distribution of providers for each managed care organization (MCO) for TennCare enrollees within each grand division, and the incidences of early prenatal care for TennCare recipients. Requires the MCOs to report regularly to the TennCare Bureau using such data measures. Requires such reports to be provided to the TennCare Oversight Committee and to the Speakers of each house. The first annual report is due by December 1, 2016. Requires the Bureau of TennCare to file a quarterly report regarding the status of TennCare reforms and improvements, progress of annual re-verification of all TennCare recipients, status of filing top-leadership positions in the Bureau, number of recipients in the TennCare program, viability of MCOs and providers in the TennCare program, and the success of fraud detection and prevention. Requires a copy of such report to be sent to the TennCare Oversight Committee, the Office of Legislative Budget Analysis, and the Fiscal Review Committee (FRC) within 15 days of the end of each quarter.

Creates a special joint committee composed of five members of the Senate Health and Welfare Committee to be appointed by the Speaker of the Senate and five members of the House Health Committee to be appointed by the Speaker of the House of Representatives. Requires the Committee to meet monthly and authorizes the Committee to conduct public hearings. Requires the Committee to report annually to the Governor and the General Assembly. Requires the Departments of Children's Services (DCS) and Finance and Administration (F&A) and the FRC to provide the Committee with any financial and any additional information the Committee may require. Requires the Committee to regularly perform legislative oversight of DCS until services for children and their families have improved substantially so that such oversight is no longer needed.

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ESTIMATED FISCAL IMPACT:

**Increase State Expenditures - \$191,700/Recurring
\$8,100/Each One-Day Meeting**

Assumptions:

- Public Chapter 410 of 2011 eliminated several joint legislative committees including the Select Oversight Committee on TennCare. At the time, the Committee was abolished there was an executive director and a legislative administrative assistant. Estimate assumes the same staffing level. The budgeted amount for the Select Oversight Committee on TennCare for FY2009-10 was \$191,700 and was used in the Special Report on Joint Oversight Committees issued in 2011 by the Comptroller's Office.
- The Office of Legislative Administration assumes the same amount will be budgeted to reestablish the Committee. A recurring increase in state expenditures of \$191,700 which includes operational costs (\$12,800), staff salaries (\$132,300), and benefits (\$46,600).
- Legislative members will receive travel expenses and per diem when Committee meetings are called when the General Assembly is not otherwise in session. There are 14 legislative members of the Select Oversight Committee on TennCare and 10 legislative members of the Special Joint Committee. Travel and per diem expenses for 24 legislative members of \$8,102.16 per meeting (\$198 per diem plus \$139.59 mileage for each member).
- The required annual reports, development of data measures to assess the effectiveness of presumptive eligibility, incidences of early prenatal care, independent study of the TennCare pharmacy program, and quarterly reports were in statute prior to 2011 and are being restored by the proposed bill. The Bureau of TennCare will not require any additional resources to resume the requirements of the bill.
- The Department of Children's Services, the Department of Finance and Administration, and the FRC will not require additional resources to provide financial information to the Committee as requested. Any increase in workloads can be accommodated within existing resources.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Jeffrey L. Spalding, Executive Director

/lsc